

The complaint

Miss S complains about mistakes Royal and Sun Alliance Insurance Limited (RSA) made in recording a claim she'd made under her legal expenses insurance policy and the legal fees they'd paid. She was concerned this had led to an increase in her premiums.

Where I refer to RSA, I include their claims handlers and agents.

What happened

Miss S had legal expenses insurance (LEI) as part of her home insurance policy with RSA. In 2019 she made a claim for cover to pursue a claim against her employer. RSA appointed panel solicitors to consider the legal claim. They didn't think it had reasonable prospects of success and RSA declined her claim on that basis. Miss S complained to the Financial Ombudsman Service. We said then RSA had acted fairly and reasonably in declining the claim.

In February 2022 Miss S noticed her renewal letter showed that RSA had paid the solicitor £1,800 in 2018. She made a data subject access request to both the solicitors and RSA which she hoped would explain why the charges were so high. When she didn't get the information she was hoping for, Miss S brought her complaint to the Financial Ombudsman.

We explained we couldn't look at her concerns about the claim she'd made under the policy since we'd already considered that issue previously. And we said we couldn't consider her concerns about the fees RSA had paid the solicitors. But we put the concerns Miss S had raised about inaccuracies in RSA's records about the legal fees they'd paid and the potential impact on her premiums to RSA.

Miss S told us she'd noticed from her renewal documentation that RSA had recorded a claim for legal fees they'd paid in 2018. And the figures in renewal letters from 2020 onwards showed different figures for those fees - £1,500 and £1,800. Miss S felt that if the fees related to the work done in connection with her employment claim, the date was wrong – it ought to have been 2019. She was also concerned RSA had wrongly recorded that they'd paid fees of £6,600 in relation to four separate claims. And she thought her insurance premiums may have gone up as a result.

RSA responded in June 2022. They concluded Miss S's claims record hadn't adversely affected her renewal premiums or her no claims discount (NCD). Miss S didn't think they'd addressed all her concerns, including inaccuracies in their records, so asked us to investigate.

Our investigator was satisfied that RSA's records only showed one legal expenses claim had been made and that the fees for that had been £1,800; although the renewal showed the claim had been made in 2018, that was a mistake - it related to the claim she'd made in 2019; and there hadn't been any impact on Miss S's premium or NCD. Miss S remained unhappy and asked for a final decision from an ombudsman. So, her complaint was passed to me to review afresh. I recently issued a provisional decision, an extract of which follows:

“What I’ve provisionally decided – and why

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Since I’ve come to a partially different outcome to our investigator, I’m issuing a provisional decision to give the parties the chance to make further comments.

I’m sorry to hear about Miss S’s health issues. I can understand any concerns she’s had about her LEI may have added to an already stressful situation. To be clear, I am only looking here at Miss S’s concerns that RSA inaccurately recorded a claim she’d made on her policy which may have led to an increase in her premiums.

I’m not considering Miss S’s concerns about

- the previous complaint she made when RSA rejected her claim to pursue her employer since we looked at it previously as a separate complaint;*
- the fees the solicitors charged RSA for work they’d carried out in connection with the employment claim; or*
- her data subject access request.*

Miss S has accepted we can’t look into those issues.

The solicitors who considered Miss S’s legal claim against her employer have explained there was an administrative error that led to the work they carried out for RSA initially being attributed to the wrong claim year. They told Miss S that

- RSA instructed them in September 2019;*
- they hadn’t sent RSA a bill in 2018;*
- they’d originally billed RSA £1,500 in September 2019 but had made a mistake and reissued a bill for £1,800 in November 2019;*
- and they’d received only one payment which was for £1,800 in May 2020.*

The solicitors’ explanation fits with the information I’ve seen.

- The solicitors sent Miss S a letter confirming they’d been instructed to deal with her employment case in September 2019.*
- RSA’s renewal letters for the years 2018 – 2022 show Miss S had only made one legal claim.*
- There’s no mention of a claim until the 2020 renewal letter. If there had been a claim in 2018, I’d expect it to have been mentioned in the 2019 renewal letter. I think it’s reasonable to conclude the reference in the 2020 renewal letter should have been to a 2019 claim and the reference to a claim in 2018 is a mistake.*
- Although two different figures for the legal costs appear - £1,500 and £1,800 – they both have the same claim date and reflect the amounts the solicitors say they billed initially and the revised amount.*

Since our investigator issued her view, Miss S has asked RSA for a further explanation. She’s unhappy some of the information they’ve now provided is unclear. They seem to have looked at it as a new complaint. But they’ve confirmed she made her claim on the policy in 2019 and that they paid fees totalling £1,800.

I think RSA’s records are inaccurate in showing Miss S made a claim in 2018 and that fees were £1,500. That seems to stem from the mistake the solicitors made initially. But I’m

satisfied only one claim was made, RSA only paid £1,800 and the payment was for the 2019 claim.

I can understand Miss S found the renewal information confusing. And she's concerned RSA didn't clarify the position after she complained. RSA confirmed in June 2022 Miss S's premiums and NCD hadn't been affected by her claims record – which she accepted – but the accuracy of her records wasn't answered. I think that's partly because RSA didn't fully understand her concerns at the time. But their most recent response didn't explain things clearly either.

Miss S has explained her concerns about the information RSA hold about her has caused her distress. I think that relates partly to other concerns she has that her data may have been shared with third parties, which aren't part of this complaint. But her concerns about the accuracy of RSA's records remain. And I think it's fair and reasonable RSA pay compensation of £200 to Miss S for the distress and inconvenience she's suffered as a result.

RSA will also need to review Miss S's claims record and adjust it as necessary. From what I've seen I think it will need to be amended so, for example, renewal information is accurate going forward. If RSA disagree, they should provide Miss S with a clear explanation as to why it is right.

My provisional decision

To put things right, Royal & Sun Alliance Insurance Limited should, within 28 days of Miss S accepting my decision, if she chooses to,

- 1. either amend Miss S's claims record to accurately show the date on which she made her claim and the legal fees they paid in connection with the claim; or,*
- 2. if they consider the claims record to be accurate, provide Miss S with a clear explanation as to why that is the case; and*
- 3. pay Miss S £200 compensation for distress and inconvenience."*

Developments

Miss S has made some comments on my provisional decision. In summary:

- she feels my summary of the claim she made on her policy in 2019 was inaccurate
- she remains unhappy about RSA rejecting her claim to pursue her employer
- she's unhappy RSA hasn't acknowledged or recorded the successful part of the claim she made against her employer
- she feels RSA could have dealt with her concerns about inaccuracies sooner

RSA said they'd take the actions I proposed in my provisional decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I acknowledge Miss S remains unhappy with the outcome of her claim on her LEI policy in 2019. As I've explained, and Miss S has accepted, I can't look at her complaint about that. My summary of Miss S's claim and the reasons RSA declined it set out in the background to this decision is intentionally brief for that reason. I intend no discourtesy to Miss S in not providing more detail.

As I've set out above, I am only looking here at Miss S's concerns that RSA inaccurately recorded a claim she'd made on her policy which may have led to an increase in her premiums. She's now mentioned RSA's records don't show she was partially successful in her claim against her employer. That's not part of this complaint so I don't make any findings about it here. That said, I think it would be unusual for a claims record to include detailed information about the issues in and outcomes relating to legal proceedings – particularly where, as here, the insurer had limited involvement in the legal case.

I note Miss S's unhappiness about the time taken to address her concerns about the accuracy of her records. I've taken that into account in proposing RSA pay her compensation.

Having carefully considered the parties' responses to my provisional decision, I see no reason to change my mind about upholding Miss S's complaint for the reasons I set out.

Putting things right

To put things right I think it's fair and reasonable for Royal & Sun Alliance Insurance Limited to take the actions I set out in my provisional decision and below.

My final decision

For the reasons I've explained I uphold Miss S's complaint and direct Royal & Sun Alliance Insurance Limited to take the following actions, within 28 days of Miss S accepting my decision, if she chooses to:

1. either amend Miss S's claims record to accurately show the date on which she made her claim and the legal fees they paid in connection with the claim; or,
2. if they consider the claims record to be accurate, provide Miss S with a clear explanation as to why that is the case; and
3. pay Miss S £200 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 23 March 2023.

Julia Wilkinson
Ombudsman